



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

FILED
11/30/21
04:59 PM

Order Instituting Rulemaking to Update)	R. 21-03-002
Surcharge Mechanisms to Ensure Equity and)	
Transparency of Fees, Taxes and Surcharges)	
Assessed on Customers of)	
Telecommunications Services in California)	
<hr/>		

**COMMENTS OF SECURUS TECHNOLOGIES, LLC (U 6888 C) ON
COMMUNICATIONS DIVISION’S STAFF REPORT - PART 2**

Pursuant to the October 29, 2021 email ruling of Assigned Administrative Law Judge Hazlyn Fortune, Securus Technologies, LLC (“Securus”) hereby submits its comments on the Communications Division’s Staff Report – Part 2 (“Staff Report”).

Securus is a telephone corporation operating pursuant to authorization issued by the Commission. Securus provides specialized operator services enabling incarcerated persons in confinement institutions located in California and other states to communicate with their friends and families. In accordance with applicable Commission requirements, Securus currently remits Public Purpose Program (PPP) surcharges and User Fees based on intrastate revenues derived from its services.

To Securus’ understanding, it is not clear whether the per- access line mechanism proposed by the Staff Report would change this. As recommended by Communications Division Staff, this mechanism would calculate responsibility for PPS surcharges and User Fees based on the number of “access lines” a carrier serves. For this purpose, “access line” would be defined as a “‘telephone’ line as defined in Public Utilities Code section 233 and is *associated with one assigned California phone number*, and shall include, but is not limited to, a ‘wireline communications service line,’ a ‘wireless

communications service line,’ and a ‘Voice over Internet Protocol service line.’” (Staff Report, at 25 [emphasis added].)

Securus provides services using Internet protocol-enabled (“IP-Enabled”) transport facilities, which have Internet access data connections at the confinement facilities. Securus’ service is outbound-only; inbound calling capability is not provided. As such, Securus’ service would not meet the Staff’s criteria for a “Voice over Internet Protocol service line,” which the Staff defines by reference to the meaning given “interconnected VoIP” by Public Utilities Code § 285 (Staff Report at 26). Section 285, in turn, defines interconnected VoIP by reference to the Federal Communications Commission’s definition set forth in Section 9.3 of Title 47 of the Code of Federal Regulations, which includes service offering both inbound and outbound calling capability, but not service offering only inbound calling or only outbound-only calling capability, such as the service provided by Securus. On the other hand, Securus’ service arguably fits the Staff’s definition of a “wireline communications service line,” which means “a local exchange service provided at a physical location in this state which allows for a ‘real-time, two-way voice communication that originates from, or terminates at, the user’s location [whether it uses a Public Switched Telephone Network (PSTN)] or a Voice Over Internet Protocol (VoIP) or a successor protocol.” (Staff Report at 26 [brackets in original].)

Either way, however, it does not appear that Securus’ “lines” would constitute “access lines” for purposes of the Staff’s proposed surcharge mechanism, because individual lines are not associated with any line-specific *assigned telephone numbers* (i.e., all calls originating from an incarceration facility are identified to called parties using a common telephone number applicable to all phones at that facility).

Moreover, Securus’ services are not of the nature of what might commonly be considered end user access lines. There are no dedicated local exchange access circuits or individual

dedicated Internet connections, and neither incarcerated persons nor parties receiving calls from incarcerated persons subscribe to access line-type services provided by Securus. Instead, except as noted below with regard to San Diego County, Securus' incarcerated persons calling services ("IPCS") are typically provided and billed on a call-by-call basis, as with most other operator services.

While the Staff Report notes, citing 47 U.S.C. § 254, that every carrier should be required to contribute to universal service on a fair and equitable basis, the Staff's proposal leaves unanswered what would be expected of a carrier, such as Securus, that does not have the ability to determine or assess surcharges using the proposed per-access line flat-rate end-user mechanism. Accordingly, Securus submits that the mechanism proposed by the Staff needs to be changed or clarified to account for this inability.

There are several potential options for doing so. One is to provide for assessment of revenue-based surcharges in cases where access-line-based surcharges are not feasible. A second option would be to establish another type of mechanism where warranted. For example, effective July 1, 2021, Securus began charging San Diego County correctional facilities a flat amount per telephone rather than billing the consumer on a per-call basis. San Diego County requested this mechanism as it changed to a model of not charging the incarcerated person making the call or the called party for IPCS. While this is a new mechanism for providing IPCS, where this type of arrangement is in place, surcharges could be set and collected on a per-telephone basis as a proxy for being assessed on a per-access line basis. Alternatively, the Commission could simply exempt carriers serving incarcerated persons from requirements to impose and collect surcharges.

What the Commission should not do, however, is leave this issue unanswered. Securus does not oppose requirements for its collection and remittance of surcharges, so long as such requirements are clear, sensible, and consistent with Securus' service characteristics and operating

capabilities. Indeed, in other states where per-line assessment of universal service charges has been proposed, Securus has not sought to avoid responsibility for surcharges but instead has advocated for exceptions that would allow Securus and similarly-situated carriers to continue to be subject to revenue-based assessment methods.¹

Securus respectfully requests the Commission to either (a) allow Securus to continue to be subject to a revenue-based surcharge; (b) provide an alternative method of applying the charge for those companies that do not provide services on a connection or access line basis, or (c) exempt those companies from assessing and paying charges.

November 30, 2021

Respectfully submitted,

/s/ Michael S. J. Lozich

Michael S. J. Lozich
Senior Corporate Counsel
Securus Technologies, LLC
4000 International Parkway
Carrollton, TX 75007

(972) 277-0300
mlozich@securustechologies.com

¹ Maine found it was non-applicable to our business and allowed an exemption; Nebraska allowed the revenue-based surcharge to continue to apply to services that do not lend themselves to a connections-based assessment mechanism, including institutional operator services; New Mexico allowed Securus to discontinue the USF surcharge; and Utah found Securus did not fit the criteria of the new requirements and it was discontinued.